

[3rd February 1936]

VII.—REPORT OF THE PUBLIC ACCOUNTS COMMITTEE.

* The Hon. Mr. G. T. H. BRACKEN :—“ Mr. President, Sir, I beg to move the motion that stands in my name—

‘ That the Report^a of the Public Accounts Committee on the Appropriation Accounts of this Province for 1933–34 and the Audit Report for 1935 issued by the Accountant-General, Madras, be taken into consideration ’.”

The Hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR :—“ I second it.”

* The Hon. the PRESIDENT :—“ I shall put the main motion first and go on with the amendments as we do with regard to Bills.”

The main motion was put and carried.

* The Hon. the PRESIDENT :—“ Amendments will now be taken up for consideration.”

* Mr. G. RAMESWARA RAO :—“ Mr. President, Sir, I beg to move the motion standing in my name :—

‘ Add the following at the end :—

“ and on such consideration, this Council is of opinion—

that steps should be taken to recover from the officers concerned, the losses incurred in public funds by their negligence between 1918 and 1933 and their failure to claim concessions allowed by the Railways from July 1918, for Police force allotted on duty in connexion with the tours of His Excellency the Governor-General and His Excellency the Governor ”.”

I was struck rather much beyond the ordinary way when I went through the report and found some astounding statement of facts made therein. That discloses the way in which the administration of our Province was carried on. It is a most notable feature. At page 25 of the report it is stated in connexion with Grant XIV—Police :—

‘ The concession of free-duty passes for police force regularly employed on railway duty and passes for additional police, whether of the railway or district force, specially posted to railways on the occasion of journeys of the Viceroy or the Governor of a Province suggested by the Railway Board in 1918 was not availed of till September 1932’

“ This is the sort of irresponsible way in which there has been waste of public funds. Concession had been allowed to us from 1918 onwards—from July 1918—but for full 14 years public funds were being wasted without the least sense of responsibility. I have absolutely no grievance against any individual in particular; I absolutely know nothing as to who was in charge of the administration or of the papers either in the Secretariat or in the Cabinet. Therefore my remarks are absolutely impersonal and are based only on principles and not meant to convey censure of any particular individual. I am only adverting to the way in which they carry on their business when they are dealing with public funds in such a reckless fashion. The Public Accounts Committee

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consider the result as most regrettable but agree that no action is now possible in the matter. I cannot understand how it is not possible to find out and recover the amounts due to the Government from those who were in charge of the administration and who were responsible for the maladministration of our public funds. It is one thing to say that we cannot trace them but it is another thing to honestly make the attempt and find out who were actually in charge of affairs, how far they must be deemed liable and whether such honest attempts were made by the executive who are responsible at present for this recommendation to write off, with mere words of regret. I hope the Hon. the Finance Member would take us into confidence and tell us what attempts he has made, irrespective of the persons who are living or dead and gone. The country has suffered such a serious loss which I say, may amount to some lakhs if not a crore; I have no idea of the details of the figures. The Finance Department has not given the wastage incurred by this kind of maladministration; they only say, as if nothing has happened, 'it is regrettable and that no action is possible in the matter.' My submission in this connexion is that the Indian Civil Service Officer is usually considered very efficient and cannot be guilty of any wrong. This lapse may be an exception to the rule of the extreme efficiency he is capable of. But when such a lapse comes to be found out, it is certainly unpardonable for anybody to say that the people from whom the loss can be recouped, ought to be allowed to go scot-free, and that no portion of the public waste for which they have been responsible on account of what is called their neglect or recklessness should be collected. It is one thing when it concerns one's own individual affairs; it is certainly another thing when it concerns a public trust reposed in one by the people and by the Government. When they are dealing with trust-funds they ought to look into the matter much more carefully with *exacta diligentia*. When they administer their own private funds, they can afford to be careless, and it does not concern others. If they fall below the level, very severe action should be taken against this class of officials with whom we are concerned now; they cannot claim any indulgence either of this House or of the superior officers by merely saying that this only a matter of neglect. It is with that idea that I now suggest to the Government that the persons who are responsible for this maladministration ought to be brought to book. Attempts must be made as far as possible to bring them to book. It may be that some of them are not in service now; yet they are drawing their pension; some of them at least are still living; they must be dealt with in a vicarious way. Some of them may be living and they may be asked to pay the amount, for their default in not properly discharging their duties. I hope the Hon. the Finance Member will give us the names of the gentlemen concerned in this matter and would satisfy us that every possible attempt was made to recover the amount from them. My contention is and my appeal to this House is that they must support this amendment and say that as rigorous measures as possible should be taken in this matter. Sir, I would like to know whether I should move my amendments one by one or all together."

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* The Hon. the PRESIDENT:—"The hon. Member may move all the amendments that are in his name and later on we can go to other amendments."

Mr. G. RAMESWARA RAO:—"You said Sir, that the procedure to be followed will be as in the case of Bills. Amendment after amendment may be moved separately, I suggest, Sir, and voted on."

* The Hon. the PRESIDENT:—"I have absolutely no objection to go on, amendment after amendment; but the difficulty is each of the amendments may be discussed for days together and perhaps we may not be able to finish them. The idea is not to have any voting, unless there is definite agreement from all sides of the House to the contrary. If the hon. Members insist that the amendments should be voted upon separately, I have absolutely no objection."

Mr. G. RAMESWARA RAO:—"I wish to know whether I am to move all the amendments now; it is better if each of them is voted upon separately; I appeal to the Hon. the Leader of the House."

* The Hon. the PRESIDENT:—"The hon. Member's idea apparently is that each amendment should be discussed and voted upon separately."

Mr. G. R. PREMAYYA seconded Mr. Rameswara Rao's motion.

3-45
P.m.

* Mr. K. A. NACHIYAPPA GOUNDER:—"Mr. President, Sir, as has been pointed out by the hon. the Mover of the motion, there is some information lacking in the explanatory note with regard to this subject, and I should like to have it too. The claim of this concession dates back to the year 1918 and it would come to a considerably big amount if it is calculated up to the year 1933, when I think the authorities of the concerned department took notice of it. The information furnished to us also reveals that certain records connected with this matter are not to be found in the file. At page 69 of the report it is stated:

'The original of the Government Order in which that letter was recorded is missing in the records. It is not therefore possible to find out why it was thought unnecessary to communicate to him the rest of that letter.'

"The note does not give sufficient information about the investigations made with regard to the missing record and the steps taken in the matter. That is the reason, Sir, why I have given a similar motion. I have nothing more to add to what the hon. Mover of the amendment has already stated, and I hope that the Government will see that this matter is investigated and that the loss that has been sustained by the Government is recovered from the concerned individuals, if there is sufficient justification for doing so."

* The Hon. Rao Bahadur A. T. PANNIRSELVAM:—"I have to begin, Mr. President, by stating that the responsibility, if any, on the part of this Government cannot date back to the year 1918 for this reason: that the copy of the communication from the Railway Board to the Agents was received by this Government at its request only in

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the year 1921. Almost by an accident as it were, this Government became aware of the existence of the communication from the Railway Board to the agents regarding certain settlements about financial matters between the Government and the railways. On this Government making a request to the Government of India to be supplied with a copy of that communication, it was sent to us in May 1921. Therefore, the responsibility, if any, arising so far as this Government are concerned, could date back only to the year 1921. On receipt of that communication in which there was a reference to police buildings within railway premises, that portion alone appears to have been communicated to the Inspector-General who took action thereon.

“Next, as regards the question of loss which the hon. the Mover of the motion insisted on being recovered from the officers responsible, I am not able to convince myself, Sir, if it can strictly be termed a ‘loss.’ As the letter of the Railway Board to the Agents of the Railways itself says it was only a concession to be granted by the railways to the Local Governments with reference to particular conditions, and I am not sure if it could be legally said that a concession not availed of or not granted by the authorities who were entitled to grant it, could be said to be a loss to the party which has not got the concession. The very term ‘concession’ connotes, I think, a granting on the part of one authority, to be availed of by another, and it also connotes, I think, a right on the part of one party to grant the concession. But that is on a technical ground.

“As far as fixing the responsibility in this case is concerned, hon. Members will realize the difficulty of having to go back for fourteen years to 1921 to find out who exactly was responsible for a particular mistake. In the case of officers who are now either dead or have retired from service, there will be absolutely no advantage gained by fixing such responsibility for this reason that it is not possible for us to bring to book dead individuals, nor is it legally open to us to proceed against the persons who have retired for recovering any loss which might have accrued to Government by reason of their negligence during their service. I think one of the pension rules is that we cannot touch any pension which has already been sanctioned. That being the case, for an omission which occurred in the year 1921, would it be reasonable to make any officer even if he is now in service and is available, answerable for it? Would it be reasonable that for any loss which has accrued all these fourteen years, we should bring to book any officer who has been in charge of this department between the years 1921 and now, unless we are able to show that there was occasion for him to particularly notice this matter and yet failed to take action? Moreover, Sir, when once a Government Order goes into the records, we do not expect an officer when he takes charge, to take every old order and every communication, and post himself up with all facts and figures. Certainly in trying to fix the responsibility, the Government have to adopt a reasonable attitude, and see if there has been any definite negligence on the part of any one officer, negligence

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which can be traced to him. In the absence of that, it seems to me, Sir, that we can only regret the loss which the Government have been put to and say that the matter should rest there."

* Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"Sir, I am really very much surprised at this sort of argument put up by the Hon. the Home Member. He seems to have thought that he was arguing in a court of law in a case which he knew he could not support but in which he had to say something. He has not even taken the trouble to say whether the Government went into the question at least after the remarks were made by the Accountant-General, and whether they made any enquiries as to whether any particular person was found responsible . . ."

* The Hon. Rao Bahadur A. T. PANNIRSELVAM:—"I thought I stated that we tried to find out when the Government Order came and who were the officers at the time. I also expressed the difficulty in exactly fixing the responsibility for the act. It took place more than fourteen years ago."

* Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—"Not fourteen years ago, Sir. It has been going on from the year 1918 to 1933. This has continued as a recent event too. I am sure the Government will be in a position, if they care to make an enquiry, to find out the person who was culpable and to decide whether with justice and equity they can fix the responsibility on anybody. We are not told whether any such enquiry has been held, or whether the Hon. the Home Member is going to hold any such enquiry into the matter. On the other hand what he very speciously argues is that it is only a concession and it is open for anybody to take advantage of a concession or not. That seems to me, Sir, to be a very curious proposition. If a concession is available and if there is a way in which some money can be saved, certainly it is the duty of everybody in charge of the department to take advantage of the concession and save the money. But to say that simply because it is a concession, therefore it is open to anybody to avail himself of it or not, is certainly a proposition which I should, with very great respect, say is very unreasonable. I hope, Sir, that the Government are not pursuing a similar policy with regard to expenditure in other departments of Government."

"Well, Sir, the next argument he advanced was: We do not know whether any particular officer was aware of the Government Order or not; so we cannot make anybody responsible. That again, Sir, is the enunciation of a principle which I do not think the Government are well advised in adopting. They are issuing so many Government Orders and Acts; and if any officer is at liberty to say, 'I am not aware of the Government Order or of the Act' it will be intolerable."

* The Hon. Rao Bahadur A. T. PANNIRSELVAM:—"That is what I said about the intervening officers who were subsequently in charge of the department after the year 1921. You don't expect them to be

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aware—it is not a mere Government Order alone—of all the communications that might have been recorded in the office.”

* Diwan Bahadur T. A. RAMALINGAM CHETTIYAR:—“That is exactly what I am saying. Supposing a Government Order is issued in the year 1921 and an officer takes charge in the year 1935; is it open to that officer to say that the Government Order was passed in the year 1921, and that he came to the office only in the year 1935? Is it likely that his explanation will be accepted, I should like to know. If that is the case, Sir, I do not know where we stand. It may as well be said that every officer is responsible only for the Acts and Government Orders which are passed after he takes office, and that he is not responsible for any other things. As I am reminded by my friend here, the officer may say that he is responsible only for such things as are passed in his time and which are brought to his notice by somebody. That seems to be a curious sort of principle to enunciate. I want to know from the Government whether such a principle is being followed in all matters or whether only in a case in which, as I said already, no explanation is possible, the Hon. the Home Member has now attempted this sort of lame excuse.

“Sir, from every standpoint, it looks as if the Government are not at all careful enough to look after the interests of the people, are not caring for the money in their charge, are not at all controlling their officers and are not taking any trouble whatsoever to see that the officers are properly doing their duties. At any rate that seems to be the result of the explanation that has been given by the Hon. the Home Member. The Government seem to think that they can do whatever they like and say: ‘Well, here we are just to put a sort of cover over the actions of our officers; this particular officer might not have known anything about this matter; he may not have been aware of what was happening; it is none of the duties of the Government to look to the proper spending of the funds.’ That seems to be the position. I am ^{4 p.m.} very sorry indeed that the Hon. the Home Member should have shown such want of care in the affairs of the Government.

“Then, Sir, as regards the officers themselves, we do not know who are the officers that are concerned, and what they have done; but at any rate it is a matter in which the Government will have to ask for the explanation from the officers concerned as to why they have not taken advantage of the concession. Apparently, from the explanation given by the Hon. the Home Member, even that has not been done. If it is not possible to get the explanation of those persons who are no longer in service or have disappeared from the world, there are at least some people who are yet in service. I want to know whether they have been asked and their explanations taken and considered. It seems to me it is a matter of woeful neglect of duty on the part of Government not to have done so. I do hope Government are not taking the same sort of attitude in all other matters and that they are exercising more care in the affairs of the State. I do hope that even in regard to this

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matter, the Hon. the Home Member will seriously see what the explanations will actually lead to and what they mean and what rules should be laid down in regard to such matters."

Mr. BASHEER AHMED SAYEED:—"Mr. President, Sir, I rise only to point out how unsatisfactory the note prepared by the Public Department is in this connexion. The whole thing seems to be an attempt to explain away the points that have been raised by the Accountant-General. The Accountant-General says in his remark that the order of the Railway Board was not merely a suggestion, but it was an order which mentioned that the concession should be recognized and allowed by all railways. While that is the language used by the Board, the explanation seems to be, Sir, that since paragraph 6 of the Railway Board letter contained only suggestions and not directions, it was for the railway administration and not for the Police department to take the initiative in the matter. I do not think this note in any way meets the point raised by the Accountant-General. It is not to be argued seriously that it was merely a suggestion. On the other hand, it seems to be a specific direction to the Railways that it should be recognized and allowed by all the Railways. When it is not a suggestion but a direction that the concession should be recognized and allowed, it was open to the Government to intimate the fact to the Inspector-General of Police and ask him to take action. Instead of that, the explanation is now forthcoming that it was considered to be a suggestion and not a direction; and to add to it, it is stated that it was the responsibility of the Railway administrations to go out of their way and grant concessions to the police force. That is really very strange, Sir.

"In the next instance, Sir, it is stated that the Inspector-General of Police was not communicated with. Perhaps the Inspector-General of Police is correct. Government ought to be in a position—I mean the Public Department—to give an explanation as to how the office of the Inspector-General was able to detect that this concession was not availed of. There seems to be no explanation from the Public Department as to how in that very office to which this communication was not sent—only paragraph 7 of the report was sent and not paragraph 6—the Inspector-General of Police came to detect these omissions by the department and how he started communication with the railway authorities in March 1933 and subsequently. Even on that point, the explanation of the Public Department is unsatisfactory.

"Then, Sir, the point which really affects the position, and that is in my opinion a more fundamental point, is the utter lack of co-ordination in this regard in the different offices concerned in this matter. That is a point which the Police department and the Public Department ought to bear in mind, namely, that there is no co-ordination between these two departments. That point has not been made clear in the note that has been placed before the Committee by the Public Department. I do not know what explanation will be offered by the Hon. the Finance Member or the Hon. the Home Member. They have

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not shown us as to how exactly that lack of co-ordination occurred and what they propose to do in order to secure that co-ordination and avoid such things in the future in such matters.

“ Again, Sir, there is another point which I would like to emphasize, namely, the original order of the Government in which that letter of the Railway Board was recorded is missing in the records. Such a thing has happened before in the Forest department, when orders were issued by Government on a previous occasion to the Forest Engineer with regard to the disposal of timber, either in logs or in scantlings; and those very important and relevant orders were missing. Then, the theory was put forward that it was a communication by telephone, and even for that there was no proof. It was stated at the Committee that even telephonic messages were recorded on paper and then added on to the file; and even those recorded telephone messages were not available on the previous occasion. It only reminds me of these cases which I had to deal with when I was on the Public Accounts Committee one or two years ago. Here is a similar case when the original order of the Government incorporating the letter and communicating the same to the Inspector-General is missing. Government ought to be able to say how it was missing, and who it was that was responsible for this neglect; and when they detected that this missing took place and that the letter was not actually in the file.

“ There is, Sir, another point which I would like to urge on the Government. In the note it is stated that in March 1933, the Police Department took up with the railways the question of the issue of free passes. The South Indian Railway Company agreed in April 1933, i.e., just within a month; but the Madras and Southern Mahratta Railway first refused and then ultimately in October 1933 they also agreed to it. Nothing is known as to whether the Government have recovered this loss of concession from the moment they started the agitation, that is, in March 1933 up to October 1933. I would like to know whether the Government have recovered from the railway company, which they are entitled to under law, the charges that they have paid from March 1933 up to October 1933, the date on which they brought to the notice of the railway administration that the Government Police was entitled to free passes; and when they ultimately agreed to give from October 1933, they are bound to give also from March 1933, because the orders already existed, and the Government ought to have been able to recover that amount from the railway administration from March 1933.

“ I would also add this, Sir. I do not know whether it has been done this year. Sir, in the Public Accounts Committee, the procedure in the Government of India is, the heads of departments and the Secretaries to Government concerned are sent for and examined on matters like this. In this province, so long as I was a member of the Public Accounts Committee, we had the help of the Secretaries and they explained with their notes, but then the head of the department concerned was never available to the committee. I do not know whether

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the committee which considered this report was able to examine any officer on points which arose in the course of the administration of his department. If the committee has not done so, I would urge upon the committee that they should in future make it a point to examine the officers concerned and find out for themselves as far as possible where to locate the responsibility and what should be done when once the responsibility has been located. It is really a serious handicap that the committee ought not to be able to examine the heads of departments who actually are responsible for the day-to-day administration. The Public Accounts Committee procedure that is laid down enables and entitles the members of the committee to examine the heads of departments. That is a healthy principle which I want should be followed at least in future years.

"Then, Sir, with regard to the responsibility itself, it is true that it cannot be fixed up. In no case have Government been able to fix up responsibility with regard to the loss that Government have suffered and public revenues have suffered. Probably on account of diligent scrutiny in the Industries department there has been some recovery ordered last year or the previous year, but barring the one or two instances, I must observe there has been no case where Government have been able to locate responsibility. Sir, the standing example of the inability of the Government to locate the responsibility and recover any loss to Government, was in the Forest department some years ago when more than 50 lakhs of rupees were lost to the Government in the shape of valuable forest, machinery and good timber. I would therefore urge that the earlier the Government set about reorganizing the co-ordination between the Secretariat and the departments and also providing for detecting cases wherein such defalcations appear, the better it is for the public revenues and the administration of the province. With these observations, Sir, I resume my seat."

* Mr. K. A. NACHIYAPPA GOUNDER:—"Mr. President, with a view to make it conform to my original motion, with your permission, Sir, I beg to move the following amendment, to the amendment of Mr. Rameswara Rao under discussion:—

'For the words "that steps should be taken," substitute the words "that enquiries be made and steps be taken if necessary."'

This is a simple amendment. Instead of straightaway proceeding with the matter of recovering the amount as suggested in the amendment of Mr. Rameswara Rao I want that the matter should be first enquired into and steps be taken if deemed necessary and also if it is found possible to make the recovery, to proceed with the case. Even if it is not possible to recover the amount at this distance of time, such a matter as this requires necessary investigation and enquiry so that it may serve as a sort of lesson to the future generation at least to be careful that such mistakes are not repeated. I am surprised to hear the argument put forth by the Hon. the Home Member that this is not a loss and I think he will refuse to admit his own argument now after my hon. Friend, Mr. Ramalingam Chettiyar, has explained the case

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to him.. As a matter of fact, we find, Sir, that even in regard to payment of travelling allowance to Members of this House, such a condition is imposed. In case we fail to avail ourselves of any concession in force are we to take it that Government are prepared to pay us the full amount if the Hon. Home Member's argument is to be accepted? Anyway it is a loss and every one must admit that fact. So, an enquiry is necessary. In such an important matter where a considerable amount of loss has occurred to the State, I think it is not too much if I demand an enquiry. I therefore hope that Government will accept this amendment even if they are not prepared to accept the original amendment as it was moved. With these words, Sir, I move my amendments."

* Sriman M. G. PATNAIK Mahasaya:—"I second it. All that this amendment seeks to do is to see that an enquiry is held. It is extraordinary that the Government should not hold any enquiry because one can say that it concerns the Secretariat and the police. If it is some other department they would have ordered the enquiry and fixed the responsibility. We know of course in the Educational department under wrong orders issued by the Director of Public Instruction certain Deputy Inspectors drew travelling allowance which they had to pay to the last pie. Some of them were considered to be hard cases. Why not in this case? Is it because it is Police department and not the Education department. Why should the Secretariat not pay? Because the Secretariat is directly under the control of the Home Member he does not want to hold the Secretariat responsible. That is all. Therefore if an enquiry has been held Government owes it to this Council that they should say what enquiry has been made, the extent of the loss incurred and who is really responsible for it. If they find it difficult to fix the responsibility they may place the matter before the Council. All that the note says is that no action is possible. Why? No one can find the reason. The Secretariat people are the Pujaris and so when the time comes the demi-Gods want to excuse them."

4-15
p.m.

* The Hon. Mr. G. T. H. BRACKEN:—"Mr. President, I find one remark only in the statements made by hon. Members with which I can agree and it is that departmental officers concerned in the financial irregularities should be asked to explain these irregularities to the Public Accounts Committee. May I tell the hon. Member that the same idea had occurred to the Public Accounts Committee and they made a recommendation to the same effect which has been accepted by the Government. As regards the other points I must join issue. I can assure the house that the most rigorous enquiry is made with regard to financial irregularities. When it comes to the notice through the Accountant-General or whoever it may be, the department has to enquire into it, then it has to run the gauntlet of the Finance Department who are always anxious to recover as much as possible and then it has to go before the Public Accounts Committee and after the Accounts Committee has gone into the matter very thoroughly Government have to pass orders. Well, if any officer after having gone through

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so many enquiries as that escapes when he is guilty, all that I can say is, he is a very fortunate man. In regard to the particular case at issue, as already explained, it occurred sometime ago. The matter was gone into very thoroughly and I may state for the information of hon. Members that I know the names of the two persons who might have been held responsible. One is dead and the other has retired from service. And so now nothing can be done to either of them and no useful purpose could be served by mentioning their names. I cannot think the Inspector-General was at fault in not knowing an order which was not communicated to him. With regard to the document missing in the Secretariat, I find it impossible to find out how it is missing. I hope this Honourable House will see that every endeavour to get at the bottom of this financial irregularity, has been made and I hope in view of my explanation hon. Members will withdraw their amendments."

* Mr. G. RAMESWARA RAO:—"I rather fail to understand what the Government mean when they say that one is dead and the other man has retired and therefore nothing can be done. Is it seriously contended by the Home Member that a delinquent drawing pension cannot be reached and dealt with in any way to recover what was due from him as in the case of one in active service?"

The Hon. Mr. G. T. H. BRACKEN:—"I am bound by the rules of the Secretary of State."

* Mr. G. RAMESWARA RAO:—"I do not know if the rule is intended for all sorts of Government servants including the I.C.S. people. I am not aware of any rules unless the Hon. the Finance Member will satisfy me by quoting the letter of the rules that the Secretary of State meant, that any of his servants should be made to work in such a way that when found guilty of gross neglect or misconduct in the discharge of his duty he could easily escape. If the Hon. the Finance Member can quote the rule and satisfy us that is another matter. But if he wants to rely upon the Secretary of State's rules and wants us to believe his own interpretation of them, it is impossible for us to accept it and I cannot swallow such an argument by accepting his *ipse dixit*. I know the rules by which the other public servants are governed; and I know some public servants of the Government who are punished for no fault of their own in any public or official capacity. I will mention one instance in point. It is touching the case of a Police officer, a Police Inspector I believe, who was bound over to be of good behaviour by a Magistrate owing to some domestic quarrel with his brothers. This is in connexion with the incident which occurred long after his retirement. In that case the High Court held that it was not a case of moral turpitude and yet the Hon. the Home Member cut off half the pension of that officer."

The Hon. Sir CHARLES SOUTER:—"On a point of order, is the hon. Member in order?"

* The Hon. the PRESIDENT:—"The hon. Member mentions an analogy which suits his purpose."

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. Mr. G. RAMESWARA RAO:—" I only quoted the instance to show how the Government do things as they like. I am not now pleading on behalf of the person to restore his pension."

" The Hon. Sir CHARLES SOUTER:—" On a point of order, Sir, the case mentioned was before the pension was given. In this case the pension had already been given."

The Hon. Mr. G. T. H. BRACKEN:—" The position is this. If the fault had been committed after the pension was granted action could be taken; and not for fault before."

* Mr. G. RAMESWARA RAO:—" It is certainly more extraordinary than the first statement. I can understand a man during service being handled more severely than a man who is drawing pension, there being no power over him. By this if my Hon. Friend wants us to expect that a man in service can go uncaught whereas a higher standard of morality should be expected of a man not in active service, that is a proposition which I am unable to understand. I wish the Hon. Member for Finance would re-examine the matter for himself after this debate is over, and see if his own conscience or that of his colleagues can see any rational distinction between the two sets of cases."

" Next, Sir, the Hon. the Finance Member has not taken us into his confidence as to the estimated loss so far as the laches of the officers are concerned. I was going to mention the instance of a village magistrate who after collecting four annas failed to enter it in his accounts and so had not sent it to the treasury but subsequently the receipt was found out and then he gets six months for this slight oversight. This happened in my own district. Six months was the penalty for stupidity in not bringing to account a paltry sum of four annas. If that is so in regard to the subordinate services, in what proportion the Government should deal with highly-paid and much more responsible superior officers, who are reputed to be efficient and who should be beyond the criticism of everybody, if they cause loss to the State to the extent of lakhs, is a matter of mathematical proposition. In the one case, a man is awarded punishment of six months, while in the other he is simply left untouched! In the latter case he does not deserve his pension because his duty to the State was something and the actual performance was quite different. Again, if he is found guilty it means he does not deserve his pension and so recoveries must be made from it. It is up to the Hon. the Finance Member, if he believes that the rules are so strict and the officer is beyond his control, to address the Secretary of State to amend the rules, at least for the sake of his successor to maintain the prestige of the I.C.S. ranks. Again, Sir, there is another point in this matter which has been overlooked. It is one thing to say that they cannot deal with the Government servant in question, and quite another thing to say, as a matter of compromise or overture, they cannot address the Railway department. ' You granted the concession and it is up to you that you should conform to

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the rules and proceedings.' Certainly the thing is possible by negotiation with the Railway Board to get the State loss replenished.

4-30 p.m. "Again, the statement of the commercial proposition laid down by the Hon. the Home Member is astounding, and I leave it to some of my hon. Friends on the other side who are here to appreciate the commercial knowledge of the Hon. the Home Member. I cannot understand what he means by the word 'loss' or by the word 'gain'. If I am entitled to gain anything, though it may be as a matter of courtesy, it is certainly a loss to me not to get it. I know something of accountancy also. If I am entitled to claim what is due to me, and if I do not get it, it is a loss to me. It is only a commonsense proposition, and I do not know why the Hon. the Home Member labours to try to put forward an absolutely unacceptable theory of accountancy to justify the laches on the part of his officers or his subordinates whoever they may be. Therefore, the appeal of 'no loss' put forward by the Government is again, another astounding factor and I hope the Hon. the Home Member will not enunciate it for the benefit of the Government of the future. I hope he will have a clearer idea of 'gains and losses' and see that the State does not suffer loss.

"The next point is as to what the amount of loss is. Why should he not take us into his confidence and give us some idea?"

The Hon. Rao Bahadur A. T. PANNIRSELVAM:—"How are we to find out, Sir, now the number of sub-inspectors, inspectors and others who were on duty in 1922?"

* Mr. G. RAMESWARA RAO:—"I sympathize with the Hon. the Home Member. My position is the accounts are there, the vouchers are there and the Railway Board is there. (A voice: 'Records are destroyed.') At least the records of the last six or three years will be there. You cannot brush out everything by saying that the records are not there and there is nothing from which you can get the information. No reasonable man can accept it. I again appeal to him as reasonable man at least to ascertain some information from the Railway Board and see how far they can replenish the loss. These are the points I suggest if the amendment moved by hon. Friend Mr. Nachiyappa Gounder is accepted and if the matter comes to an enquiry. I see from the statement of the Hon. the Finance Member that it is a closed book. He seems to suggest that everything possible has been done and that nothing more can be done. I take it that the Government is not for accepting the idea put forward in the amendment for an enquiry into the matter. Therefore, I have no option but to press my original proposition that recovery may be ordered from everybody concerned."

* The Hon. the PRESIDENT:—"I will first put Mr. Nachiyappa Gounder's amendment to the vote. The question is: that for the words 'steps should be taken,' in Mr. Rameswara Rao's amendment, the words 'enquiries be made and steps be taken if necessary' be substituted."

The amendment was put and declared lost.

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Mr. G. Rameswara Rao demanded a poll which was taken with the following result:—

Ayes.

1 Sriman M. G. Patnaik Mahasayo.	10 Mr. H. B. Ari Gowder.
2 Mr. Yakub Hasan.	11 „ G. R. Premayya.
3 Diwan Bahadur T. A. Ramalingam Chettiyar.	12 „ K. Koti Reddi.
4 Mr. Basheer Ahmed Sayeed.	13 „ P. M. Thangal.
5 Rao Bahadur P. C. Muthu Chettiyar.	14 „ G. Rameswara Rao.
6 Mr. Ahmed Meeran.	15 Mrs. A. Rukmani Lakshmipathi.
7 „ K. A. Nachiyappa Gounder.	16 Mr. C. Obi Reddi.
8 „ A. Ranganatha Mudaliyar.	17 Rai Sahib C. Kolanda Reddi.
9 „ K. P. Raman Menon.	18 Mr. T. Narasa Reddi.

Noes.

1 The Hon. Sir K. V. Reddi Nayudu.	18 Diwan Bahadur R. Srinivasan.
2 „ Rao Bahadur A. T. Pan-nirselvam.	19 „ A. Appadurai Pillai.
3 „ Sir Charles Souter.	20 Mr. W. K. M. Langley.
4 „ Mr. G. T. H. Bracken.	21 „ P. C. Moses.
5 „ Diwan Bahadur S. Kumaraswami Reddiyar.	22 „ P. V. Rajagopal Pillai.
6 „ Mr. P. T. Rajan.	23 Rao Bahadur D. Krishnamurti.
7 „ The Raja of Bobbili.	24 Khan Bahadur Mahmud Schamnada Sahib Bahadur.
8 Diwan Bahadur C. Natesa Mudaliyar.	25 Rao Sahib D. V. Narasimhaswami.
9 Mrs. K. Alamelumangathayaramma.	26 „ Pandit Ganala Ramamurti.
10 Mr. W. Scott Brown.	27 Mr. K. Kesavaramamurti Nayudu.
11 „ H. R. Uzielli.	28 „ C. Basu Dev.
12 „ C. E. Jones.	29 Rao Sahib V. I. Muniswami Pillai.
13 „ G. T. Boag.	30 Rao Bahadur Subadar-Major S. A. Nanjappa Bahadur.
14 „ R. Madanagopal Nayudu.	31 Mr. I. C. Iswaran Pillai.
15 „ T. B. Russell.	
16 „ T. Sundara Rao Nayudu.	
17 Khan Sahib Syed Tajuddin Sahib Bahadur.	

Neutral.

1 Rao Bahadur Sir A. P. Patro.	4 Diwan Bahadur M. Gopalaswami Mudaliyar.
2 Mr. M. B. Rangaswami Reddi.	
3 „ T. S. Ramaswami Ayyar.	

Ayes. 18. *Noes.* 31. *Neutral.* 4.

The motion was lost.

* The Hon. the PRESIDENT:—“ I will now put the main amendment to the vote of the House. The question is—

‘ Add the following at the end:—

“ and on such consideration, this Council is of opinion that steps should be taken to recover from the officers concerned, the losses incurred in public funds by their negligence between 1918 and 1933 and their failure to claim concessions allowed by the railways from July 1918, for Police force allotted on duty in connexion with the tours of His Excellency the Governor-General and His Excellency the Governor;” ”

The amendment was put and lost.

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* Mr. G. RAMESWARA RAO:—"Sir, the second amendment I propose to move is—

'Add the following at the end: And on such consideration this Council is of opinion—

"that severe retrenchments should be effected in the office of the Hindu Religious Endowments Board and that the said Board should be abolished unless they pay up the loan advanced in accordance with the original understanding, and that the Board should have its budget passed every year by this Council".'

The reason for this amendment arises from what is contained at page 27 of the Report of the Public Accounts Committee. There we find:

'The Accountant-General has brought to notice the large amount of loan outstanding and the fact that, although the Government ordered that provision should be made in the budget of the Board for 1934-35 for the repayment of at least a year's interest, no payment has been received up to November 1934, and suggests that we might enquire what further steps are proposed to be taken to reduce the Board's indebtedness to Government. We are informed (i) that a sum of Rs. 11,344 had been paid by the Board (in February 1935) towards interest on the loans and that the Board expected to pay a further sum of Rs. 3,000 before the end of the fasli year; (ii) that the Government have considered the question of consolidating the principal and interest due on the loans given to the Hindu Religious Endowments Board and of permitting the Board to repay the amount in forty half-yearly instalments. The annuity payable under this arrangement will be about Rs. 34,566; (iii) that the proposal had been put to the Board and its reply was awaited; and (iv) that if the scheme is given effect to, it is expected that the Board will be in a position to repay the loans gradually without difficulty.'

"The point I want to raise is this. What are the original terms subject to which the loan was granted; when was it due to be repaid; what payments have been made by the Board till now and if no payments have been made, why have the Government waited so long while a loss has been inflicted on the State's finances? If the Religious Endowments Board is to serve any purpose, it should be first self-supporting, and then set itself to work to establish right relationship between God and man. If, as a matter of fact, the Board is to be another millstone tied round our necks to upset our finances, if the Board is not to pay interest on the loan, if years are to elapse in this condition and we are still to maintain the Board, I for one would say that the Board of Religious Endowments be rather abolished. I understand that when the Religious Endowments Act was passed, it was passed in a very irregular way. That was challenged . . ."

* The Hon. the PRESIDENT:—"I think no useful purpose will be served by discussing the history or the merits of the Religious Endowments Act."

Mr. G. RAMESWARA RAO:—"I was not going to attack the proceedings of this Council by way of criticisms or make any adverse comments . . ."

* The Hon. the PRESIDENT:—"The hon. Member may confine himself to his own resolution before the House."

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* Mr. G. RAMESWARA RAO:—"I was only going to say that as a result of this Act, the cost of litigation incurred in connexion with the administration of the Board is about one lakh or more. The question is whether the Government should pay or the Board should pay for the expenditure. I hear a vague rumour that there is a dispute between the Board and the Government. The Board says, 'your bad enactment has cost us so much.' The Government says, 'you are in charge of the administration and therefore it is your duty to pay the cost.' That seems to be the contest. I am not going to make any adverse comments against anybody concerned in the matter. I am only pointing out the financial aspect of the matter. If the Board is rightly to pay the amount, let them arrange to pay it; or if the Government accepts the liability, let them write off the debt. I am not interested in seeing a large balance being shown as owing from the Board. I should rather wish to know what is recoverable and what is not recoverable, so that we may have a clean budget for the future. In that connexion I was saying that the Religious Endowments Board and the Government must settle sooner or later as to what each should pay for the cost of litigation and what the outstanding loan will be and try to balance the budget. That is a claim between the Board and the Government. That apart, my first attack against the Board is as to why they have not paid even the interest due year after year and why they have accumulated the interest for years and still call upon the Government to advance further sums. One thing I know as a layman in connexion with the Board. The administration of the Board is something which is absolutely unworthy of any public administration. I understand, Sir, that some sums which ought to have been paid to the Board under the Religious Endowments Act have not been paid; that some cases filed before them ten years ago, have not been decided yet, and that some of the collections due long ago to them have not been realized. This is not another instance, I suppose, of 'a paper' being mislaid in the Finance Department. I used the word 'paper' not in the singular, but in the plural sense. This is not a case where nothing is to be traceable and therefore things which ought to have been done years ago have been held up all these long years, so much so that the Board has not been able either to support itself or to pay what they owed to the Government. I know a bit of it from the judicial standpoint. I know how the matter was exposed when the last Mutts' Bill was discussed before the Select Committee at Ootacamund, and the visitors who were allowed to be present then know how the administration of the Board was held up from year to year on account of the pending suits. A case was heard and closed, it was re-opened, re-heard and closed and yet no judgment delivered, so on and so forth for years, in a number of cases.

"There is an instance, which was hanging fire for over seven 4-15 years without coming to a final stage. If this is the way the Board p.m. administers its affairs, if they cannot set their house in order by proper internal administration or domestic arrangement, how can they.

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administer the executive side of it? That is what I call in question. I will put it in a drastic way: it is much better that the Board is dissolved instead of being allowed to survive in this state, functioning for the good neither of God nor of man. Just take another case to show the way in which things are administered by the Board. There is only one inspector for the Cuddapah and Anantapur districts put together. His fixed travelling allowance is Rs. 20 a month. He has to travel from Renigunta to another end which is in Mysore province. How on earth can Rs. 20 cover the expenses of this long journey from Renigunta to Bangalore? There are so many things in the administration which call for rectification, which call for modification, which call for serious overhauling if the Board is to function in working order. It is to emphasize this maladministration of the Board that I have brought forward this amendment, and I appeal to the Hon. the Chief Minister to deal with it in the best way he can without prejudice to State finance and proper administration of the endowments themselves."

* Mr. K. A. NACHIYAPPA GOUNDER:—"Sir, I beg to second the motion moved by my hon. Friend Mr. G. Rameswara Rao. Here we find that the Religious Endowments Board is not able to pay back the amount advanced to it. In spite of Government orders, they did not make any payments till November 1934, but subsequently they seem to have paid some amount, i.e., Rs. 11,344, and a further sum of Rs. 3,000 later on. I do not know whether these cover a small fraction of what they ought to pay. Now the Government say that they have calculated and arrived at the figure of Rs. 34,566 as the annuity to be paid in forty half-yearly instalments. I doubt very much, Sir, whether the Board would be able to pay that amount regularly when they are not able to pay any appreciable sum even by way of irregular instalments whenever they get funds. From this it will be seen that the financial aspect of that body is not quite sound. So it is a matter for consideration whether we will have to set this body right or whether we should scrap it away. My opinion is that if it is not conducted efficiently or if some effective steps are not taken to keep it in a sound financial basis, I think it is better that the body is scrapped, instead of allowing it to linger without serving any useful and effective purpose."

* Sriman M. G. PATNAIK Mahasayo:—"Mr. President, Sir, you know how the Board came into being. There was of course a longstanding misuse or abuse of funds belonging to the religious endowments, and to set right that the Board came into being. No doubt it was intended that funds should be found to carry on the administration of the Board, but the measures originally taken did not enable the Board to realize the money due from the endowments. That is why there were large arrears; and until 1932, when the Act was amended and the provisions of the Revenue Recovery Act were extended, it was not possible to effectively collect the amounts that fell due. Both the

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Board and the trustees of endowments were put to very heavy expenses as the matter had to be carried to civil courts. That procedure benefited more the vakils rather than the Board or trustees of endowments.

“ There is another difficulty. The Board, I think, has been observing the strictest economy, and the staff employed is not sufficient to deal with the question. Of course, my hon. Friend, Mr. Rameswara Rao, has pointed out that demands are now being issued. It is so; because these things come to their knowledge now, they are issuing these notices; but if there had been sufficient staff, all the endowments would have been booked at once. As he said, there is one superintendent or inspector for two districts, that man has to travel over a large distance, and his allowance is only twenty rupees a month. How will he be able to travel to different parts where the temples are situated, take stock of the amounts due, and issue notices? That is why the Board has not been able to realize all its contributions. Now, the public are also not satisfied with the present state of things; most people think that the Board's services should be provincialized altogether and it should be treated as a department of the Government. Simply because the Board is not able to pay its debt for no fault of theirs, I do not think it should suffer. Nothing will be gained by their budget being placed before us, as is suggested. They are a statutory body trying to do their duties, and all that is required to be done is that the staff should be strengthened, so that effective action can be taken by the commissioners as well as the subordinate staff. Until that is done, the Board cannot function efficiently at all. The present state is due to the fact that the staff is not sufficient to cope with the work which is again due to the pressure brought to bear upon the Board by the Government. Therefore until a larger staff is employed, all the difficulties pointed out by Mr. Rameswara Rao cannot be rectified. On the other side, the Government should come forward with large grants to the Board to rectify these defects, and also provincialize the Board's services. That is the proper remedy and not the remedy suggested by Mr. Rameswara Rao. Therefore I oppose the amendment.”

Diwan Bahadur M. GOPALASWAMI MUDALIYAR :—“ Mr. President, I do not think that the mover really means that any drastic steps should be adopted, but he simply wants to draw the attention of the House to the defects in the present working of the Board so that they may be rectified. If that is what he means, I agree with him. I do not think there is any person now in this presidency or the sister presidencies who will say that this Board is not functioning for the good of man or God. I think it must be said to the credit of this province and the far-sighted statesmanship of the Raja of Panagal that a Board of this sort is working in our presidency, and we ought to be proud of the fact that the sister provinces are also trying to have a measure like this. What is more, even our Muslim brethren are agitating for a similar board. All these will speak to the fact that this board is necessary, and I do not think my hon. Friend who comes from near me really means that this board should be ended. All that

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he really must mean is that it must be mended. I practically agree with my Friend, Mr. Patnaik, that the commissioners of the Board ought to be provincialized, and that the debt which is existing—I do not know whether it is bad or good, let us not go into those legal technicalities—should be wiped off and the Board allowed to start with a clean slate. This will help the Board to make proper collections, appoint more staff, and stand on their own legs, and possibly they will be enabled to put by some savings in years to come.

“In this connexion I may make one remark, and it is this. As a matter of fact there are institutions which are supported by the aid of Government. For example, there are some Christian institutions which are depending upon Government for some sort of subsidy, and there are also similar institutions without funds. So why should not Hindu temples which the Board is now trying to put on a constitutional basis, be given some subsidy? This debt which is supposed to be existing for a long time may be wiped off so that they may start on a clean slate. That is the suggestion which I will in all seriousness put before the Hon. the Chief Minister to consider, so that the Board may work more satisfactorily in future.”

* The Hon. the PRESIDENT:—“The discussion on this will continue to-morrow.

“I wish to tell hon. Members that no more amendments on this Report will be received to-morrow.”

The House then adjourned to meet again at 11 a.m. next day.

D. K. V. RAGHAVA VARMA,
Acting Secretary to the Legislative Council.

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TRUTH ALONE TRIUMPHS